

INDUSTRY ARTICLE

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Amendment to German Packaging Act: What manufacturers need to consider in 2022

Anyone putting packaging into circulation bears responsibility for the product. In this interview, Gunda Rachut, Chair of Germany's Central Packaging Register (ZSVR), explains what manufacturers need to consider and which regulations have been added in 2022.

Ms Rachut, what conclusions can be drawn after three years of amendments to the Packaging Act?

After three years, the outcome is very positive. This law ushered in a turnaround in the assumption of product stewardship and at the same time created significant impetus in the recycling segment: more than four times as many companies as in 2018 are taking responsibility for their products. Recycling system participation volumes have increased significantly in all material categories. Ambitious recycling rates, the minimum standard for recycling-compliant design, and the transparent packaging register LUCID are just some of the positive aspects associated with the impact of the Packaging Act.

How have packaging volume and the recyclability of packaging changed since then?

Figures from the German Environment Agency show an increase in packaging consumption for 2019. This trend was boosted even more due to the much higher volume of e-commerce and food-to-go sales during the pandemic.

Two trends are emerging in packaging recyclability: The Central Packaging Register's (ZSVR) minimum standard is having an impact, as increasingly more plastic packaging can be recycled. On the other hand, "plastic bashing" and the discussion about a plastic tax are having an adverse effect, as mono packaging is increasingly being replaced by composite packaging, which is more difficult to recycle. However, a positive development is that the recycling volumes from Germany's dual system increased again in 2020 and were up 8.4 percent compared with the previous year.

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What new rules will manufacturers face in 2022?

This year, the amendment to the Packaging Act presents some significant changes for distributors of packaging. Effective 1 January 2022, certain single-use beverage containers are subject to a mandatory deposit scheme. On 1 July 2022, an **extended registration requirement for all companies** distributing packaging filled with goods will enter into force. Whereas until now, only manufacturers of packaging subject to mandatory dual system participation had to register in the LUCID packaging register, this obligation now applies to all types of packaging, i.e., including transport packaging, industrial packaging or reusable packaging.

Which sectors need to be particularly proactive this year?

From July 2022, **final distributors of service packaging subject to mandatory dual system participation** will be obliged to register in the LUCID packaging register if they have delegated their obligations in full to an upstream distributor. These are companies that buy their service packaging from a supplier already registered in the system and thus have already paid for the recycling of their packaging.

Obligations will also be imposed on the **operators of electronic marketplaces** from July 2022. They may only allow the marketing of packaging subject to system participation if sellers have met their registration obligations and are participating in a recycling system. The same applies to **fulfilment service providers**, who may only work for companies that have met their product responsibilities (registration, system participation).

Have there been some missteps on the part of manufacturers? Where do you see a particular need for action by manufacturers?

There are more and more manufacturers who are using the marketing effect of ecological packaging design. These are trends like refilling, pooling solutions in the to-go segment, and the use of recyclates in packaging. Consumers continue to have difficulties recognising ecologically sound packaging. Although increasingly, brown paper is being used in packaging, it is not the distinguishing feature of recycling-compliant packaging. Often, the opposite is the case, as having a lot of composite materials makes recycling more difficult. Because the fibres are often insufficiently detached from the plastic layers only a small proportion is turned into new packaging.





Is the Packaging Register involved in the EU's plans to introduce a new packaging directive? What changes could be in store for manufacturers at a European level when putting packaging on the market?

The Commission's Directorate-General for the Environment has announced a draft of a revised packaging directive for the middle of the year. If possible, packaging should be reused several times, should be made from a minimum amount of material, and should be recyclable. In this conjunction, the Directorate-General for the Environment has been following with great interest the ZSVR's minimum standard for measuring the recycling-compliant design of packaging.

As a supporting measure, there has been discussion of the idea for ecologically inferior packaging to cost more within the framework of product stewardship. Naturally, the recyclates produced should also be re-used, and this is something that is also being considered.

How has the number of entries in the LUCID packaging register changed since 2019?

More than 250,000 manufacturers are currently registered in LUCID. As a result of the pandemic, e-commerce and mail order are booming, so the mountain of shipping packaging is also growing, and paper recycling bins are overflowing. At the same time, many online retailers are ignoring the fact that they must pay for the recycling of their packaging, which is about being responsible for your product. Legislators are systematically addressing this deplorable situation with the amendment to the Packaging Act, by imposing obligations on online platforms, which now need to check whether the sellers using their platforms are on the LUCID packaging register. We are establishing an interface to facilitate this, but the major platforms have already started to provide their retailers with comprehensive information in this regard. Since then, the registration numbers in LUCID have risen steeply. In 2021, an equal number of manufacturers from China and Germany registered, which about says it all.

What cases of misconduct or freeloading could this prevent?

The local authorities of towns and counties are implementing the Packaging Act. The ZSVR has set up an online portal for law enforcement agencies, so that they can see in real time whether manufacturers in their area are registered and are reporting their packaging data. From our mailbox for official agencies, we can recognise whether enforcement is taking place, but





the authorities are not obliged to inform us. The law enforcement process is focusing on the larger firms that are not having their data reports properly certified ('declaration of completeness'), and hefty fines are being imposed.

Is there meanwhile more widespread knowledge within companies about the fundamental obligation to participate in the recycling system?

The legislator's idea for a central register was of course also associated with benefits of а central information platform. Our www.verpackungsregister.org/en provides information both and explanations. We have created checklists of obligations and have split up the complex regulations into packages for communication to the various user groups. Meanwhile, the platform probably offers one of the largest collections of facts and figures about packaging communicated using videos, information packages and lists. With the amendment to the German Packaging Act, we are once again being challenged to reach out to other manufacturers and thus also effectively explain new content. We are assisted in this process by the companies we have involved in our expert groups, so that hopefully we can explain exactly what users need to know. Since the beginning we have answered more than 130,000 inquiries, so that we are confident of having spread the word about the basic obligations at least.

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